

## Message Text

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12

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DODE-00 PA-03 USIA-15 PRS-01 L-03 H-03 AGR-20

RSR-01 /191 W

----- 106009

R 310902Z AUG 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6423

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME 874

AMEMBASSY STOCKHOLM

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS TOKYO 11222

PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJ: TOKYO FOREX MARKET DEVELOPMENTS -- AUG 27-31

1. DOLLAR IN SPOT MARKET STRENGTHENED SLIGHTLY DURING  
MID-WEEK BUT RETURNED TO MONDAY'S LEVEL AT END OF WEEK,  
WITH REPRESENTATIVE RATE ON FRI AT YEN265.30 (SAME AS THAT  
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ON MON). TRANSACTIONS DURING THE FIVE-DAY PERIOD WERE

IN THE RANGE OF YEN265.16 TO YEN265.40 PER DOLLAR.  
VOLUME IN THE SPOT MARKET WAS ALMOST IDENTICAL TO THAT  
FOR THE PREVIOUS WEEK, WITH DAILY HIGH REACHED ON MONDAY  
OF \$90.5 MIL. TOTAL WEEKLY VOLUME IS APPROX \$290 MIL  
(IDENTICAL TO VOLUME OF PREVIOUS WEEK ENDING AUG 25).  
SPOT MARKET WAS DESCRIBED BY BOJ OFFICIAL AS UNUSUALLY  
QUIET THIS WEEK, WITH TOTAL CENTRAL BANK INTERVENTION (DOLLAR  
SALES) OF LESS THAN \$200 MIL.

2. FORWARD DOLLAR RATES STRENGTHENED SIGNIFICANTLY DURING  
THE FIVE-DAY PERIOD AS A RESULT OF RENEWED CONFIDENCE IN DOLLAR  
AND HIGHER LEVEL OF IMPORTS. THREE-MONTH FORWARD (NOV  
DELIVERY) CLOSED ON AUG 31 AT YEN263.20, UP YEN1.90 FROM MONDAY'S  
CLOSE. SIX-MONTH FORWARD (FEB DELIVERY) CLOSED WEEK AT  
YEN258.00, UP YEN2.40 FROM MONDAY. END OF WEEK CLOSE FOR THREE-  
MONTH FORWARD REPRESENTED DISCOUNT OF 3.17 PERCENT WHILE THAT  
FOR SIX-MONTH FORWARD REPRESENTED DISCOUNT OF 5.55 PERCENT.  
THIS COMPARED WITH DISCOUNTS EARLIER IN MONTH OF BETWEEN 10  
AND 12 PERCENT FOR THREE AND SIX-MONTH FORWARD RATES.  
TOTAL VOLUME IN THE FORWARD MARKET WAS \$426 MIL (UP SUBSTANTIALLY  
FROM PREVIOUS WEEK'S VOLUME OF \$295 MIL), WHILE TOTAL VOLUME  
IN THE SWAP MARKET REGISTERED \$225 MIL (UP ONLY SLIGHTLY FROM  
PREVIOUS WEEK'S VOLUME OF \$192 MIL).  
INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 AUG 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Page Count:** 2  
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**Previous Classification:** n/a  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** willialc  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Aug-2001 by reddocgw>; APPROVED <20-Aug-2001 by willialc>  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TOKYO FOREX MARKET DEVELOPMENTS -- AUG 27-31  
**TAGS:** EFIN, JA  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005